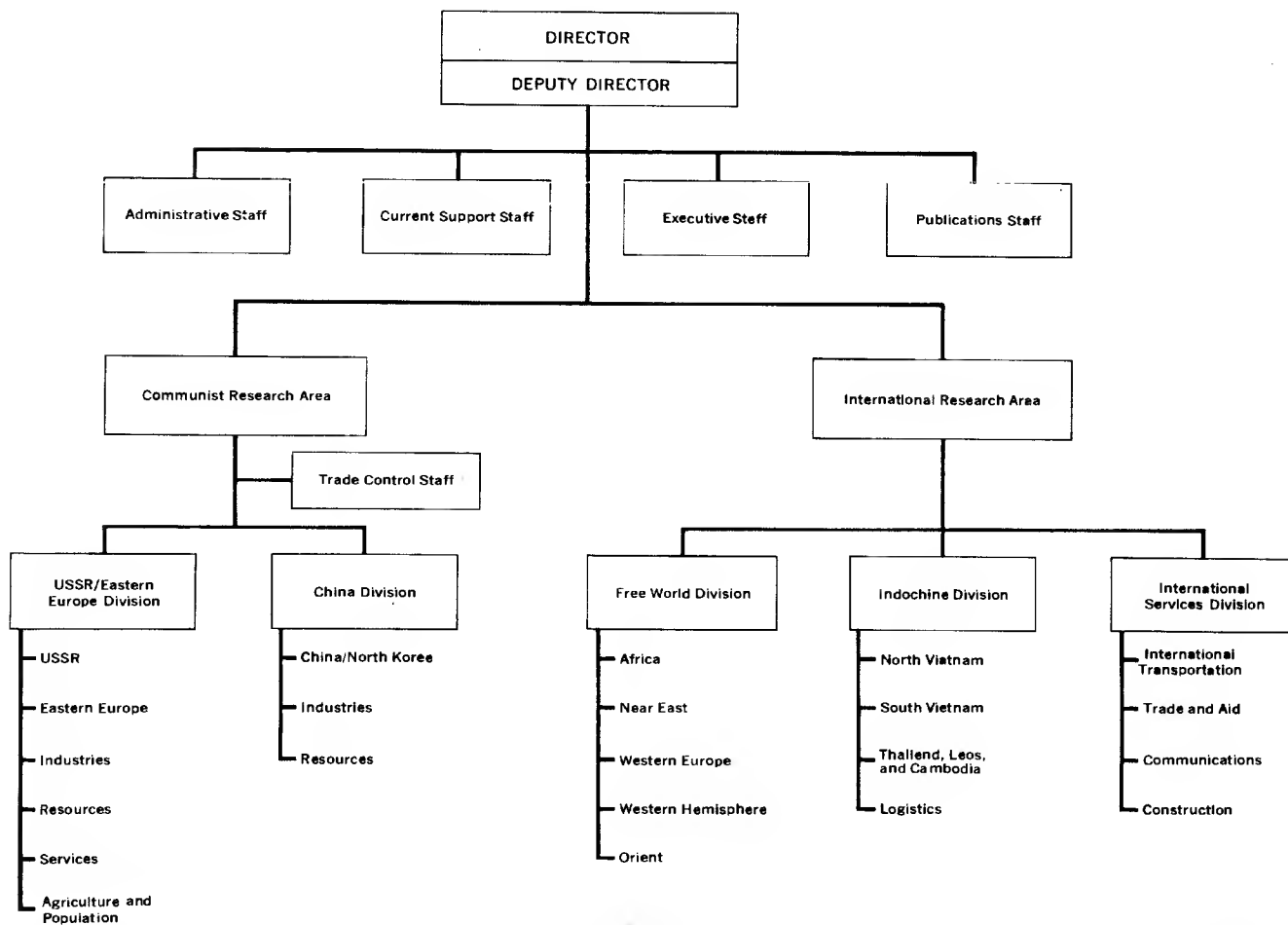


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TRANSMITTAL SLIP		DATE 23 August 1967
TO:		
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REMARKS:		
<p>1. At the moment there is no intention to do TAB B.</p> <p>2. TAB C is still in DRAFT.</p>		
FROM: D/OER		BY-3
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FORM NO. 241
1 FEB 55

REPLACES FORM 36-8
WHICH MAY BE USED.

(47)

Alternative Reorganization Proposals for OER

1. Additional Deputies for the Director, OER

Proposal: Establish one or more additional Deputy Directors.

Discussion: Under this proposal the support formerly provided to the Director in the planning, control, and review of research by the Chief of the Economic Research Area would be distributed among two or more Deputy Directors. This would reduce the span of control of the Director and would provide for senior level supervision and review of the production of intelligence. The existing division and branch structure would remain as they are at the present time.

Pro:

1. Narrows the Director's span of control.
2. Provides for improved supervision and substantive review.
3. Holds to a minimum the number of supervisory echelons and support personnel.

Con:

1. Fails to relieve the overload on the Chief of the Trade and Services Division resulting from heavy responsibilities for providing intelligence support on: the Vietnam war; trade controls; Communist economic activities in the less developed countries; international shipping; communications and construction.

2. Perpetuates the patchwork character of intelligence support related to the war in Vietnam and other crisis developments in the Indo-china area generally.
3. Does not take account of the increasing need of OER customers for research and support with a geographic orientation and fails to meet the need to integrate more closely geographic and functional components.
4. Neglects the need to relate OER divisional and branch structure more closely to the general geographic pattern of ONE, OCI, DDP, and the Department of State.
5. No single deputy would be familiar with the activities of the Office across the board -- a situation which would provide some difficulty when the deputy is running the Office in the absence of the

2. Split the Trade and Services Division in Two

Proposal: Two new divisions would be created in place of the existing Trade and Services Division.

Discussion: An Indochina Division would be established to concentrate on the priority concern with that part of the world and to integrate the functional and geographic work for that area. A Services Division would be set up to cover international trade and finance (including Communist economic activities in the less developed countries), international shipping, and communications. This Division would also have the responsibility for trade control support. Certain additional adjustments would be made involving other Divisions of the Office. The most significant of these would be the transfer of the Indochina Branch from the Free World Division to the proposed Indochina Division.

Pro:

1. Relieves the excessive burden on the Chief of the Trade and Services Division.
2. Consolidates research and support on the Vietnam war and on the related crisis area of Indochina into one division.
3. Improves arrangements for trade control support, strengthening the management of other Branches

Con:

1. Widens the Director's span of control.
2. Further weakens direction and review above the Division level.
3. Fails to integrate geographic and functional components except in the case of Indochina.
4. Fails to relate the

currently in the Trade and
Services Division.

responsibilities for OER's
Divisions and Branches more
closely to ONE, OCI, DDP,
and State.

4. Holds supervisory echelons to
a minimum.

3. Structure the OER Organization Along the Lines of the Department
of State

Proposal: Regroup the four OER Divisions and 23 Branches into
economic research areas in a pattern corresponding to the organizational
structure in the Department of State.

Discussion: In consideration of the fact that the Department of
State is the largest single consumer of the OER product outside the
Agency and the fact that ONE, OCI, and the DDP have patterned their
organizations somewhat along the lines of the geographic components in
State, we considered the possibility of an organization roughly
corresponding to the State's five geographic Bureaus: African
Affairs, Inter-American Affairs, East Asian and Pacific Affairs,
European Affairs, and Near Eastern and South Asian Affairs. It
soon became apparent, however, that no standard geographic organiza-
tional pattern exists among the Agency components noted and the
Department of State. More significant, the pattern of workload and
priorities which influences the Department of State's organization,
as well as that of the CIA organizations referred to, is not consistent
with that of OER.

Thought was given to a European Area to be divided into an
Analysis Division with geographic branches, and a Resources and

Services Division which would contain elements of the present functional branches in OER. A second Area was designated as the East Asia/Pacific Area with a China Division, an Indochina/Orient Division, and a Special Projects Division to cope with the Vietnam war. Two additional areas were added to provide for Latin America and Africa.

Pro:

1. Brings functional components into a closer relationship with geographic units.
2. Matches the organization more closely with other components of CIA and with State, thereby facilitating cooperation somewhat.
3. Provides more supervision and review above the Division level.
4. Reduces the over-burden on the Chief of the Trade and Services Division and centralizes the intelligence effort on the Vietnam war.

Con:

1. Fails to properly relate the organizational structure to OER's pattern of priorities.
2. Imposes excessive overhead at the Area level.
3. Fails to integrate functional and geographic components.
4. Makes no adjustment in the Director's span of control.
5. Separates the intelligence effort on the Vietnam war from related work on Indochina.

4. Organize the Office into Geographic Areas Retaining Separate Functional Divisions

Proposal: Group OER's aggregative functional and research components into a minimal number of geographic research areas retaining functional divisions.

Discussion: Several versions of this proposal were considered. The one presented below provides for seven research divisions organized into two research areas. A Communist Research Area would include a USSR/EE Division, a China Division, and a Resources and Services Division which would serve the geographic components of the areas, but would not be integrated with them. An International Area would include an Asia/Africa/Near East Division, a WE/WN Division, a Trade and Services Division serving these two geographic components, and a Special Projects for Indochina Division which might either incorporate all work in support of the Vietnam war, functional and geographic, or which might encompass all of Indochina.

Pro:

1. Reduces the Director's span of control.
2. Provides for better supervision and review of the Divisions.
3. Reduces the overload on the Chief of the Trade and Services Division.
4. Brings the functional intelligence activities in closer alignment with the geographic components.

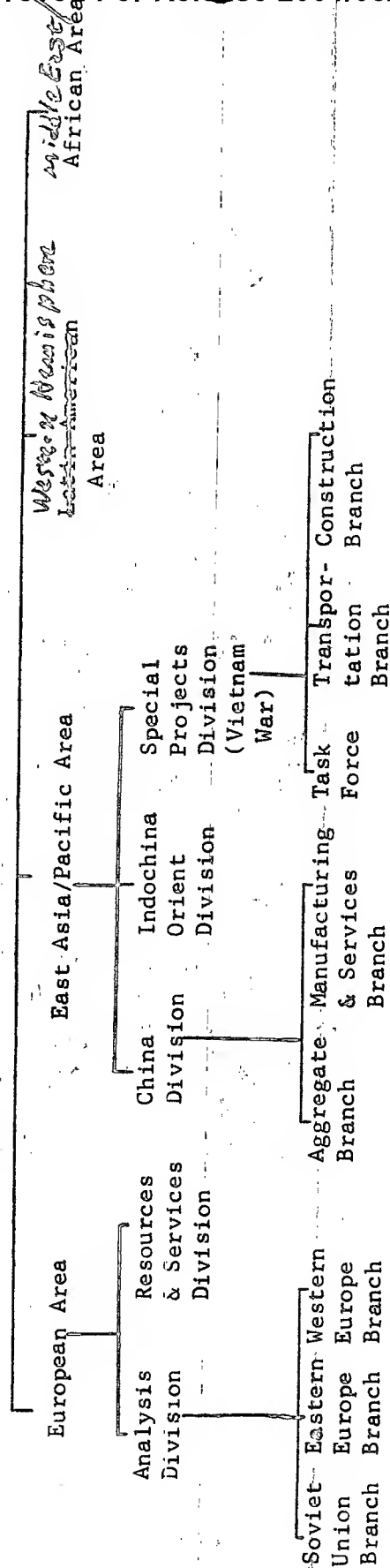
Con:

1. Provides only partial integration of functional and geographic elements.
2. Results in an uneven balance in personnel among the seven divisions.
3. Provides for an unnecessarily large number of divisions.

5. Provides for a somewhat more
geographic organizational
alignment.
6. Maintains the unity of the
functional components.

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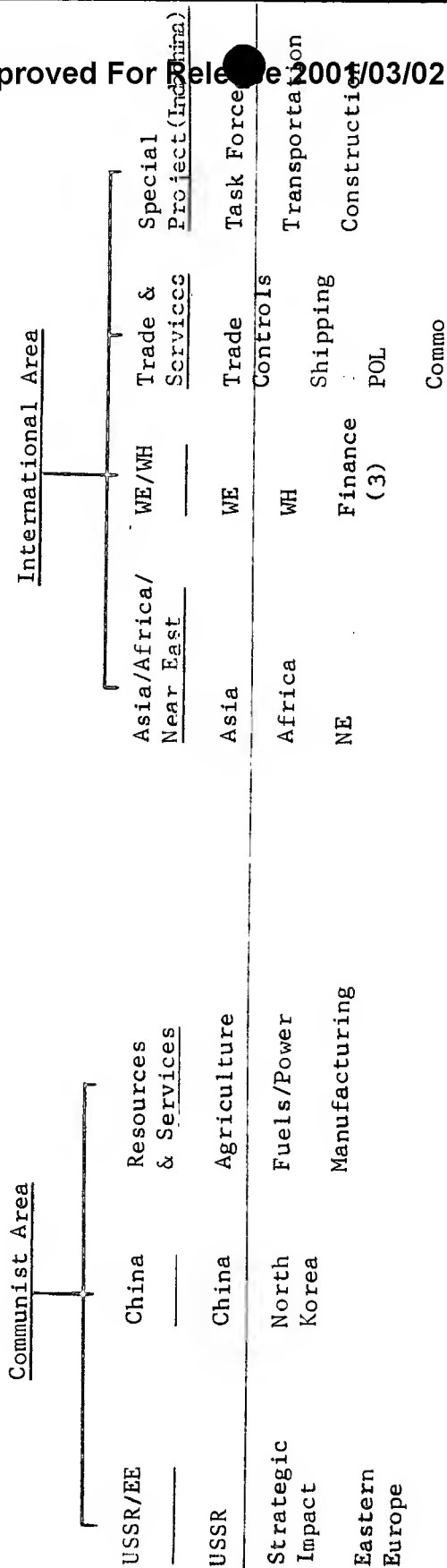
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